Kentucky Teachers' Retirement System

Gary L. Harbin, CPA
Executive Secretary

KTRS Overview

Information for

KASA Finance Institute

March 21, 2008

Kentucky Teachers' Retirement System

Established in 1938, KTRS provides

Retirement Security

For Kentucky's Educators

Kentucky Teachers' Retirement System
A Brief History

- In 1936, the University of Kentucky studied the possible need for a retirement system for teachers and concluded:
    - Teachers could not afford to retire.
    - School districts were faced with continued employment of teachers unable to perform effectively.
    - Teachers were not allowed to participate in Social Security.
    - Kentucky was finding it hard to attract and retain teachers.
- KTRS was established in 1938 and funded by the General Assembly in 1940.

KTRS was established by the General Assembly in 1938 and funded in 1940

A Defined Benefit Group Retirement Plan was established to provide retirement benefits for local school districts and other public educational agencies in the state.

Current employers comprised of:

175 local school districts

17 Department of Education Agencies

Five Regional Universities & all Community Colleges

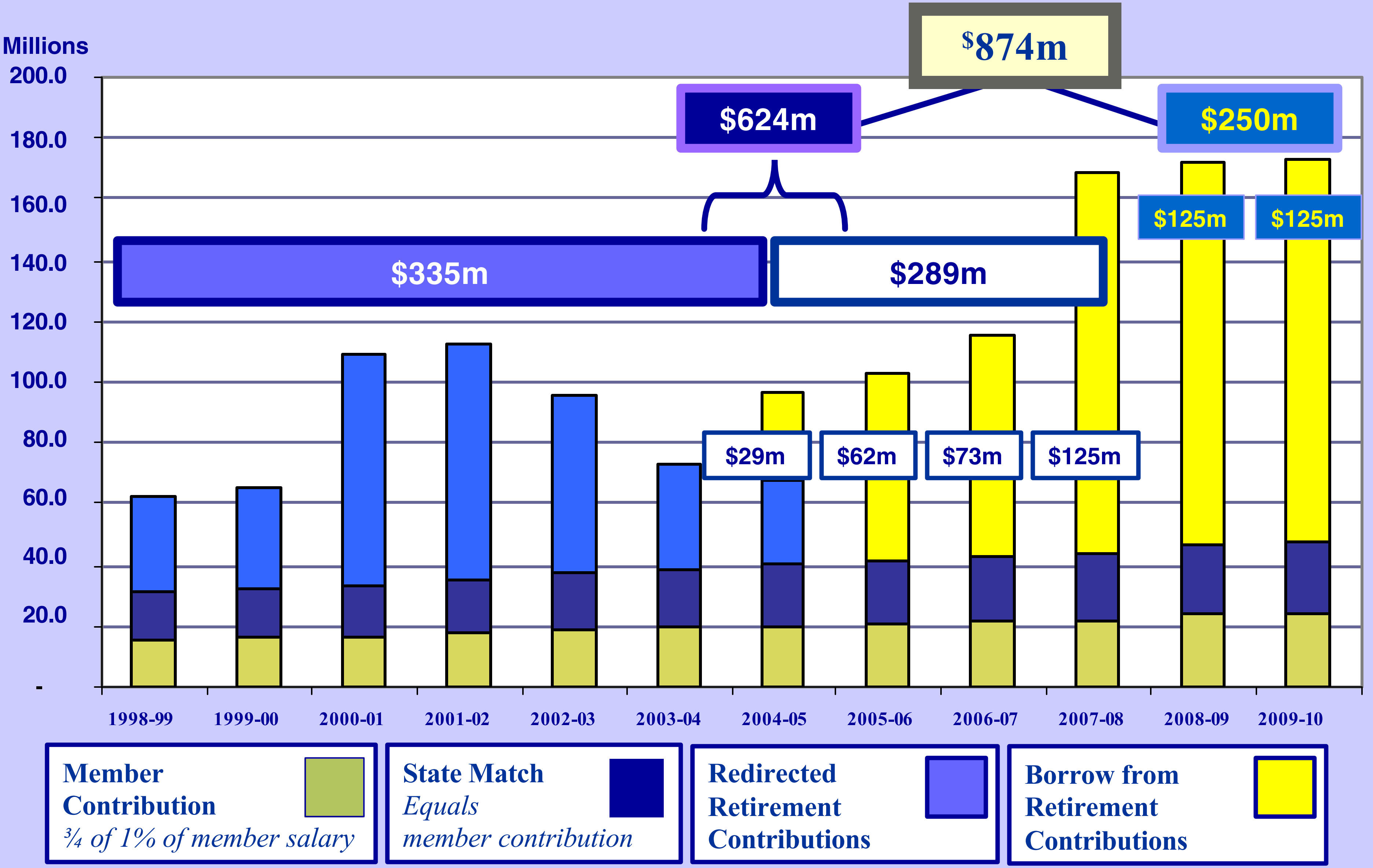
KCTCS

KTRS is unique when compared to other public pension plans.

- By statute, there is a fixed employer contribution rate.
- Most members are not eligible for Social Security benefits.
- One of only three states providing this level of retiree health care.
- Only state “borrowing” from pension plan to fund retiree health care.

~ Kentucky Teachers' Retirement System ~

Primary Funding for Medical Insurance Fund



KTRS is unique when compared to other public pension plans.

- KTRS is a mature pension plan with a high percentage of members currently eligible to retire.
- Paid sick leave accumulations spike final average salaries (K-12) .
    - not subject to the inviolable contract.
    - if benefit removed–retirements would spike.

Field of Membership

as of December 2007

Active	**0 – 26 Years**	**Non-eligible**	**44,531**
	27+ Years*	**Eligible**	**14,620**
	Total Active		**59,151**
	Sub/PT/Retired Return to Work		**15,527**
	Total Contributing Members		**74,678**

Inactive 16,579

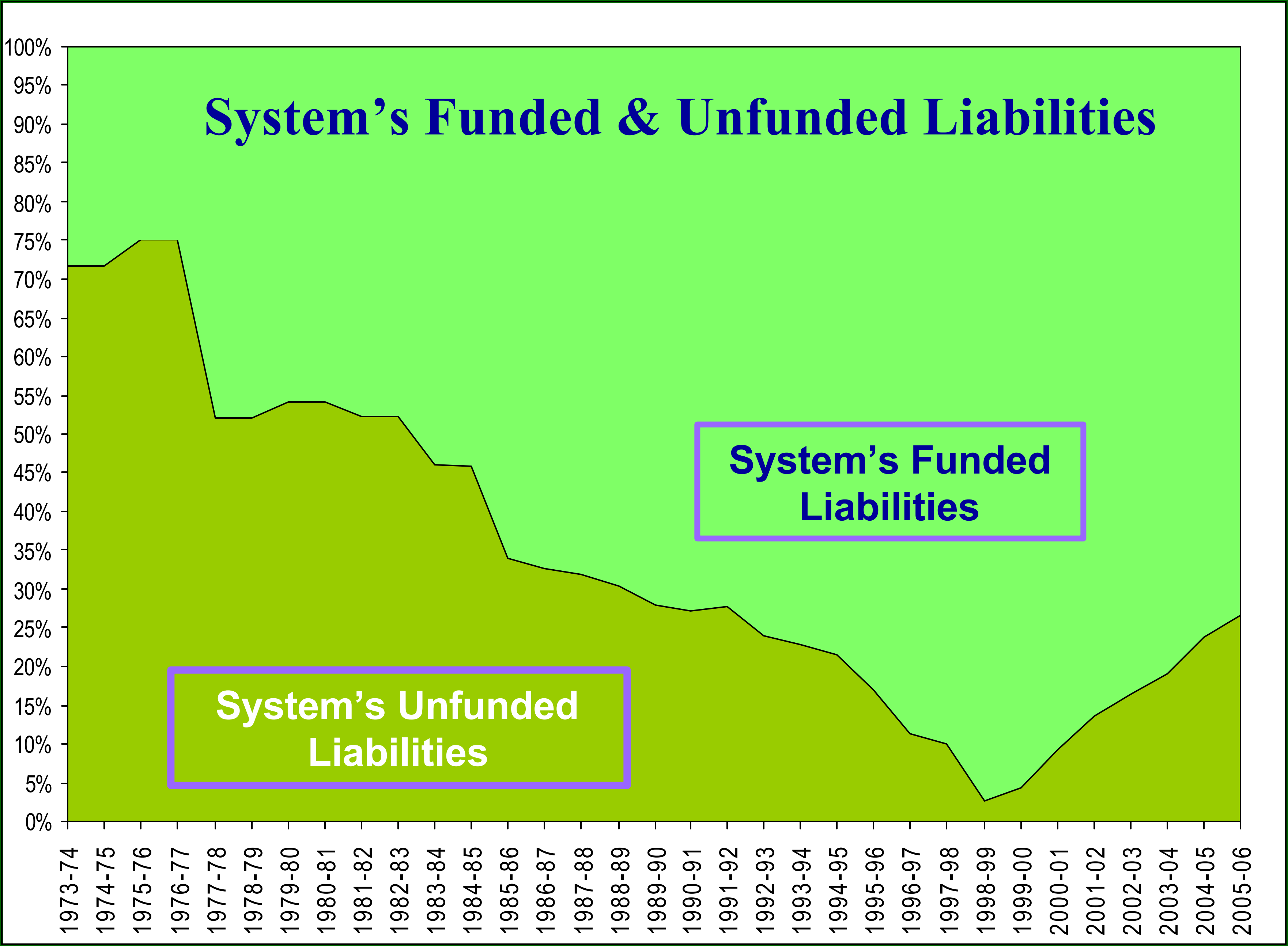
Retired, Beneficiaries & Survivors 40,347

Total 131,604

** and/or age 55 with 5 or more years of service within the next fiscal year*

Recap of Actuarial Status of the System
at June 30, 2007

	Assets	Liabilities	Unfunded	Percent
Pre-funded **Retirement Benefit**	15,285.0	21,255.0	5,970.0	71.9%
Pay-as-you-go **Medical Benefit**	140.8	5,928.8	5,788.0	2.4%
	15,425.8	27,183.8	11,758.0	

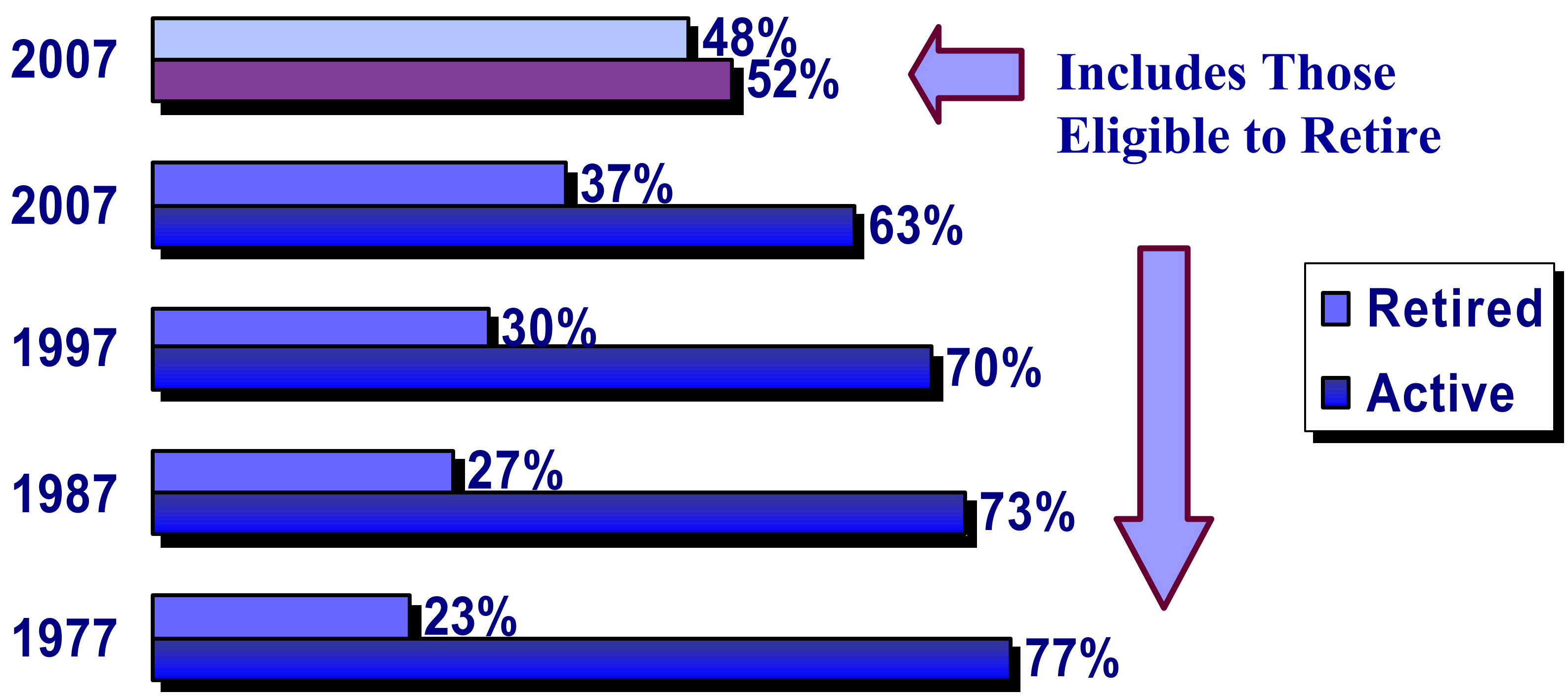

System's Funded & Unfunded Liabilities
System's Funded Liabilities
System's Unfunded Liabilities
100%
95%
90%
85%
80%
75%
70%
65%
60%
55%
50%
45%
40%
35%
30%
25%
20%
15%
10%
5%
0%
1973-74
1974-75
1975-76
1976-77
1977-78
1978-79
1979-80
1980-81
1981-82
1982-83
1983-84
1984-85
1985-86
1986-87
1987-88
1988-89
1989-90
1990-91
1991-92
1992-93
1993-94
1994-95
1995-96
1996-97
1997-98
1998-99
1999-00
2000-01
2001-02
2002-03
2003-04
2004-05
2005-06

Review of Kentucky Retired Teachers' Health Benefits

KTRS Medical Benefit

- Funding for retiree medical insurance is on a pay-as-you-go basis (started in 1964).
- ¾ of 1% member contribution + ¾ of 1% employer contribution = 1.5% of payroll.
- Medical costs have increased as well as number of covered retirees.
- To continue funding through 2008, the Commonwealth will borrow $289 million from the KTRS Pension Fund.
- Need for medical insurance funding to be in the General Budget in lieu of borrowing from the KTRS Pension Fund.

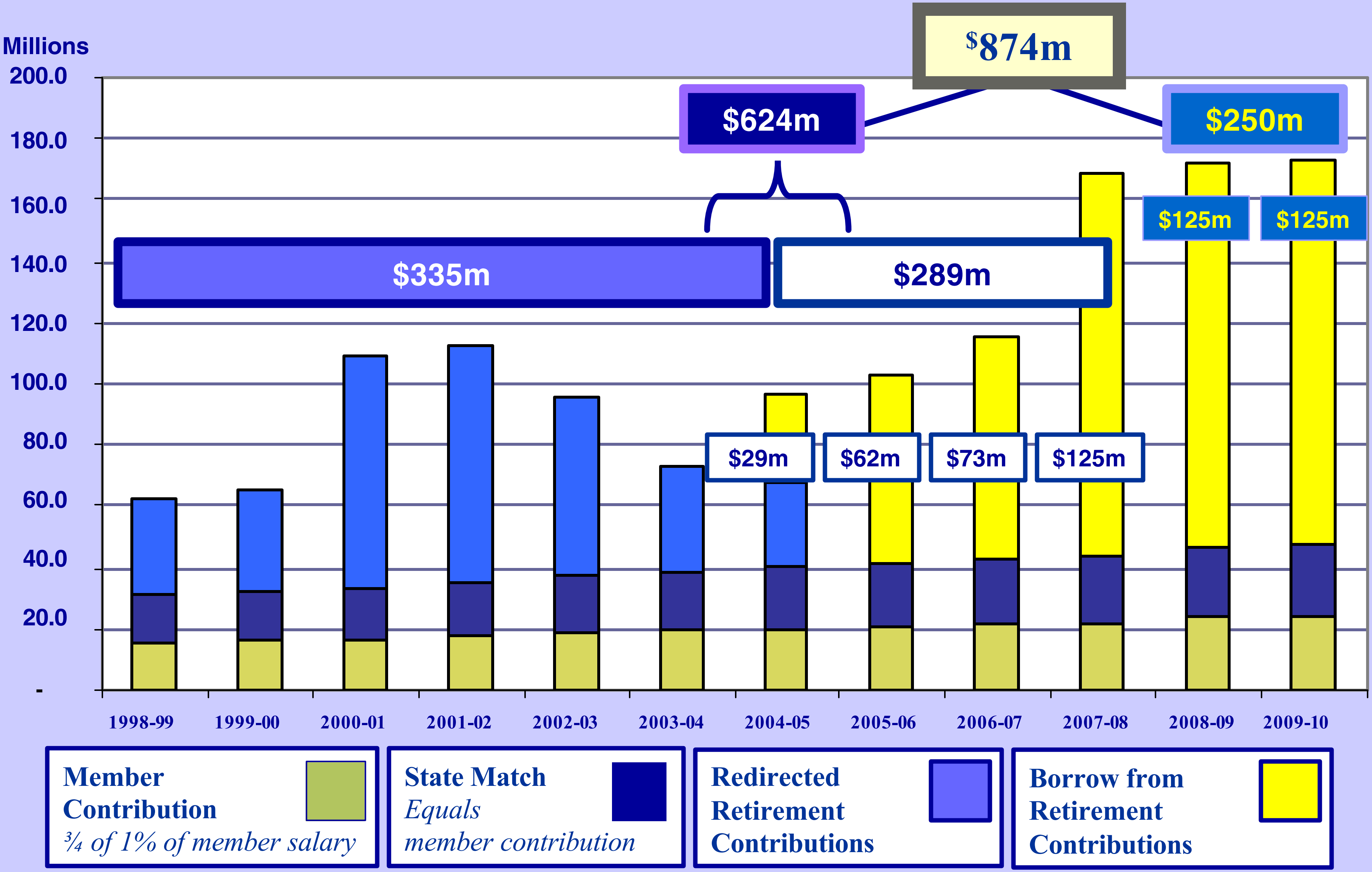
Ratio of Active Teachers to Retired Teachers



	1977	1987	1997	2007	2007
Retired	23%	27%	30%	37%	48%
Active	77%	73%	70%	63%	52%

~ Kentucky Teachers' Retirement System ~

Primary Funding for Medical Insurance Fund



Actuarial Update

KTRS Pension Fund:

- Borrowing from the Pension Fund to sustain retiree medical insurance does impact actuarial soundness.
- Most recent actuarial report informed KTRS of need for an employer contribution increase in the 2008 Regular Session from 1.88% to 2.46%.

Review of Kentucky Retired Teachers' Health Benefits

Kentucky Retired Teachers' Health Insurance is provided in two plans:

- **Kentucky Employees Health Plan (KEHP)**
  For Retirees Under Age 65

- **Medicare Eligible Health Plan (MEHP)**
  For Retirees Age 65 & Over

Review of Kentucky Retired Teachers' Health Benefits

KEHP

Plan includes:

- school district employees
- state employees
- some local government employees
- teacher retirees under age 65
- state, county & city retirees under age 65

- Plan moved to self-insurance in 2006

Kentucky Teachers' Retirement System

Cost of Single Coverage

Plan Year			
2004		286.16	
2005	43.2%	409.86	
		Executive Budget	**FINAL BUDGET**
2006	19.3%	488.96	432.00
2007 Fiscal Year 13.5%	5.9%	457.70	*TBA*
2008 Fiscal Year 9.9%	5.8%	484.24	*TBA*

Review of Kentucky Retired Teachers' Health Benefits

MEHP

- Self-Insured Plan since 1992.
- Consists of two components-medical benefits & drug benefits
- Medical benefits delivered by Humana, drug benefits delivered by Medco.
- Premiums in 2006 were $315/month.
- Premiums in 2007 were $283/month.
- Premiums in 2008 are $278/month.

KTRS Major Efforts to Contain Retirement and Healthcare Costs

1992

- Self-insurance used for retirees.

1998

- Air-time purchases at full actuarial cost.
- High 3 at age 55 with 27 years of service.

2001

- Eliminated double-dipping of medical benefits.

KTRS Major Efforts to Contain Retirement and Healthcare Costs

2002

- **Medical insurance benefit reduced for new hires.**
- **Return-to-work salaries limited after required breaks-in-service.**
- **Limit on number of retirees that can return full-time.**

KTRS Major Efforts to Contain Retirement and Healthcare Costs

2002 continued …

- **Benefit multipliers lowered for new hires.**
- **Field of membership significantly expanded.**
- **Disability retirement reformed.**

2004

- **Service credit purchases moved to full actuarial cost.**

Kentucky Teachers' Retirement System

Retirement Trends

Analysis of June, July & August Retirements
2002 vs. 2007

	2002			2007		
SERVICE	Average Age	Count	*Percent*	Average Age	Count	*Percent*
< 27 years	**60**	**259**	***16%***	**60**	**320**	***28%***
27 – 27.99 years	**52**	**546**	***33%***	**54**	**239**	***21%***
28 + years	**56**	**855**	***51%***	**56**	**572**	***51%***
	55	**1,660**	***100%***	**56**	**1,131**	***100%***

KTRS Major Efforts to Contain Retirement and Healthcare Costs

Two Federal Programs Utilized to Save Medical Costs in the MEHP Program

<u>2006</u>

- **Medicare Prescription Part D.**
  - **Saves over $10 million annually.**

<u>2007</u>

- **Medicare Advantage Private Fee For Service.**
  - **Saves over $11 million annually.**

Board of Directors

Gary L. Harbin, President
Kentucky Teachers' Retirement System

Chris DeRose, Vice President
Michigan Office of Retirement Services

Laurie Fiori Hacking, Secretary-Treasurer
Ohio Public Employees Retirement System

Terri Bierdeman
State Teachers Retirement System of Ohio

Jarvio Grevious
California Public Employees' Retirement System

William Nail
Employees Retirement System of Texas

Meredith Williams
Colorado Public Employees' Retirement Association

KTRS joined with other retirement systems to form the **Public Sector Healthcare Roundtable** to address retiree health care costs on a national level.

http://www.healthcareroundtable.org

Kentucky Teachers' Retirement System

a Defined Benefit Group Retirement Plan

A Unique Comparison of …

The Defined Benefit
Group Retirement Plan

to

The Defined Contribution
Individual Savings Account

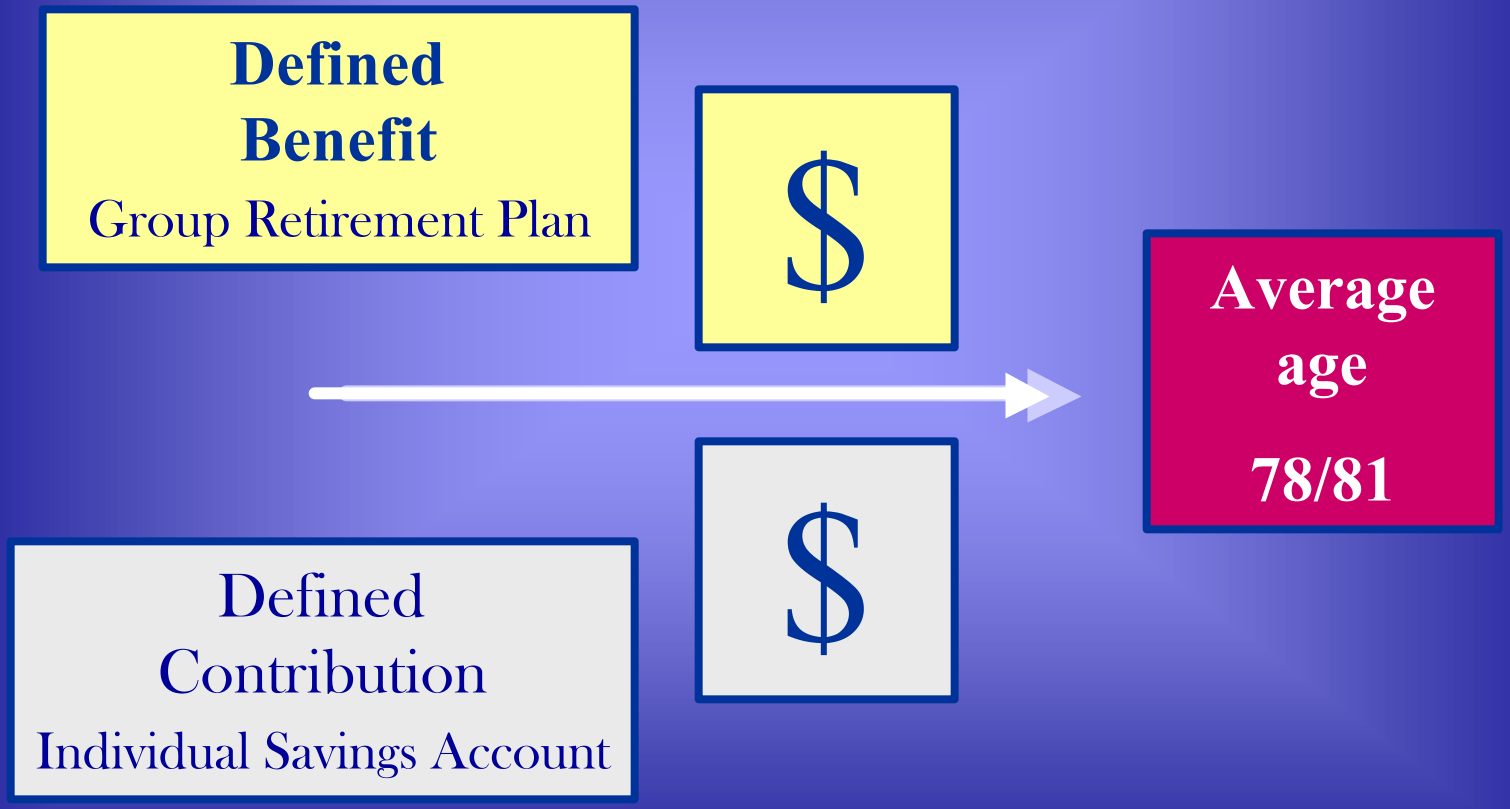
The DB Group Retirement Plan

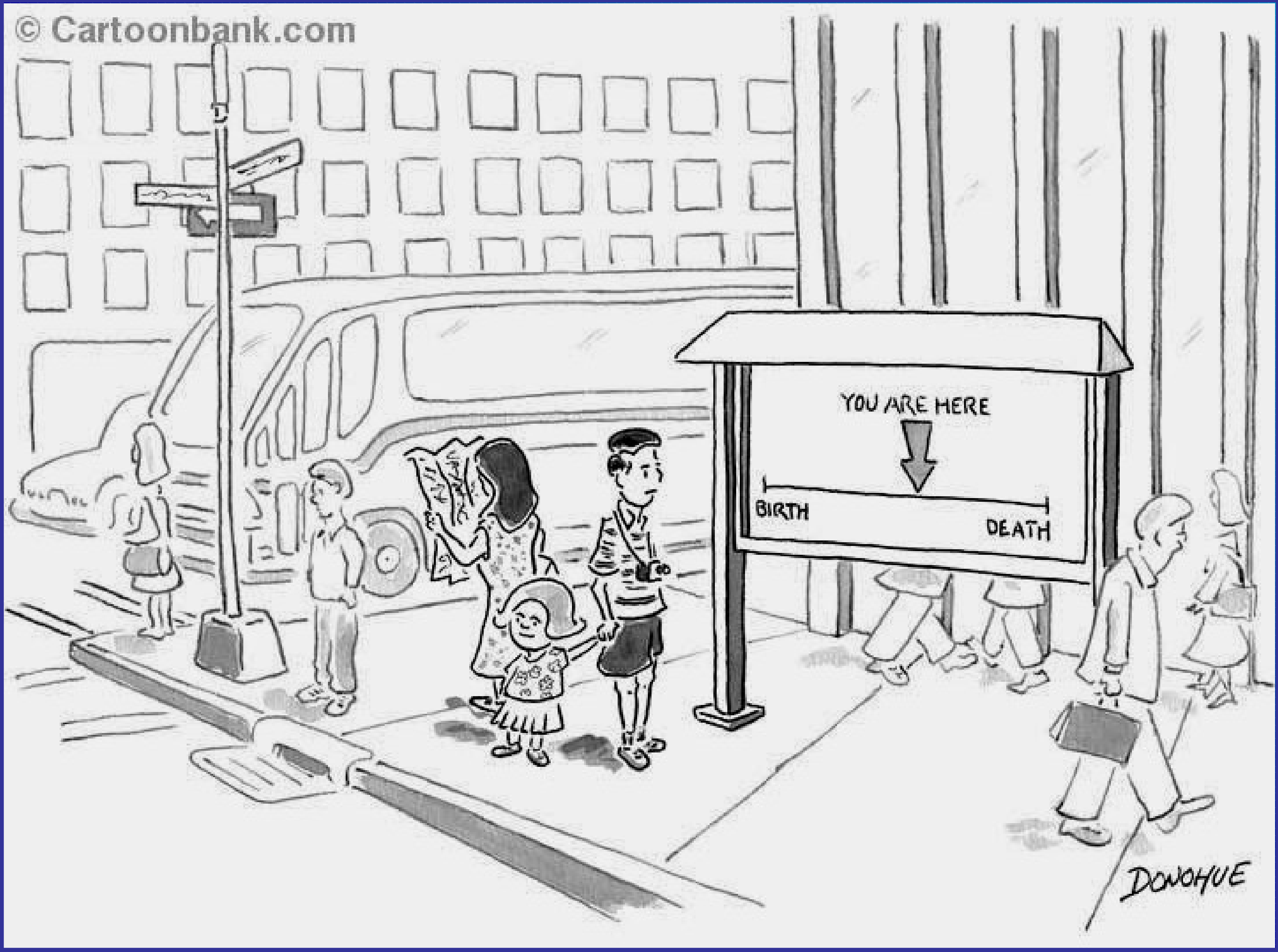
- A guaranteed monthly payment for life.
- Assets that are pooled and professionally invested at low cost.
- Market conditions have no bearing on the timing of your retirement.
- Market downturns do not impact your payment.

How much is needed for retirement?

Financial planners recommend retirement income of 80% to 100% of your final salary depending on the adequacy of provided health insurance.

What's the best way to achieve financial retirement security?



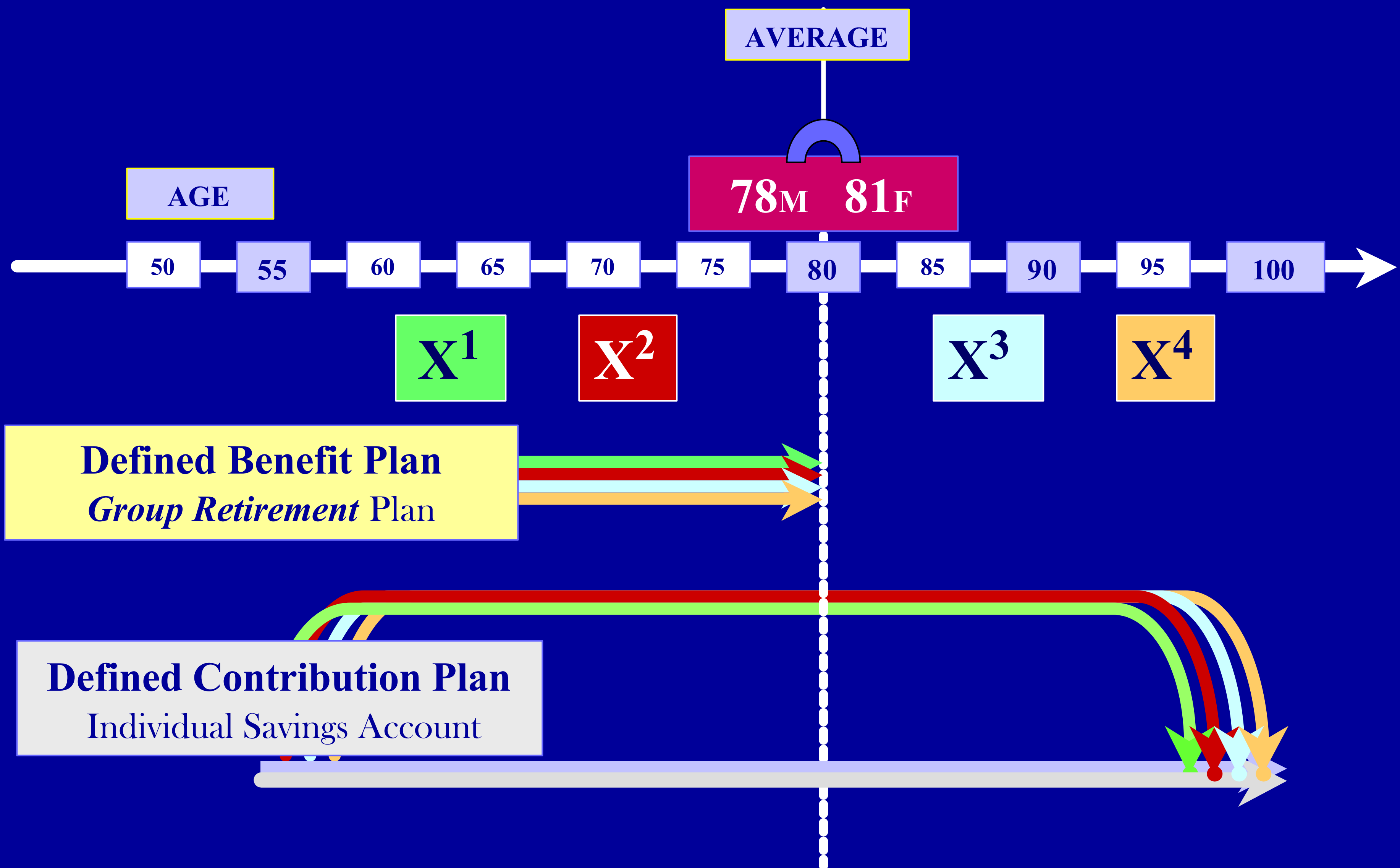

© Cartoonbank.com
YOU ARE HERE
BIRTH
DEATH
DONOHUE

Kentucky Teachers' Retirement System

Retiree Analysis

Retiree AGE	
Age 100 years old or more	37
Age 95-99 years old	266
Age 90-94 years old	758
Age 80-89 years old	3,687
TOTAL RETIREES	**4,748**

Which costs more?



Retirement Plan Efficiency

TABLE 6

Type of Plan	Provisions	Vesting Period	Efficiency Index
Defined benefit	Final average pay, subsidized early retirement	5	80
Defined benefit	Career average	5	76
Cash balance	Flat contribution	5	57
Cash balance	Contribution increases with service	5	60
Defined contribution	Flat contribution	Immediate	45

Contingencies; **How Efficient are Retirement Programs in Delivering Dollars to Retirees**. Sept/Oct .07 issue

Aon Consulting
Ron Destefano, Actuary

The Average Career Educator

- Retires at age 56.
- With 30 years service.
- With a pension equal to 72% of their final average salary.
- With a medical benefit on a pay-as-you-go basis.
- **Does not have a social security benefit.**

Membership Analysis

August 2006 – July 2007

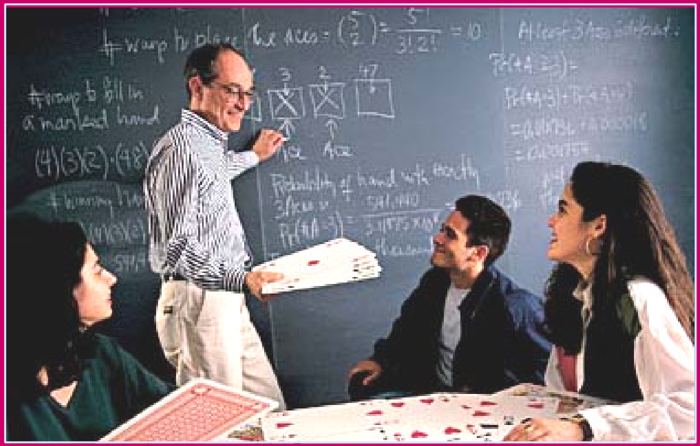
	Retirees for the period	New Hires for the period
Average beginning teaching age	27	31
Average contract salary	$58,363	$35,344
Average age at retirement	56	N/A
Average retirement benefit	$36,232	N/A

Positive Impact of KTRS

- *For Members*
- *For School Districts*
- *For State & Local Economies*

For Members

- **Provides retirement security for those who have devoted their careers to teaching.**
  - A life-time retirement benefit determined by the member's length of service and salary.
  - A medical benefit provided on a pay-as-you-go basis.



For School Districts

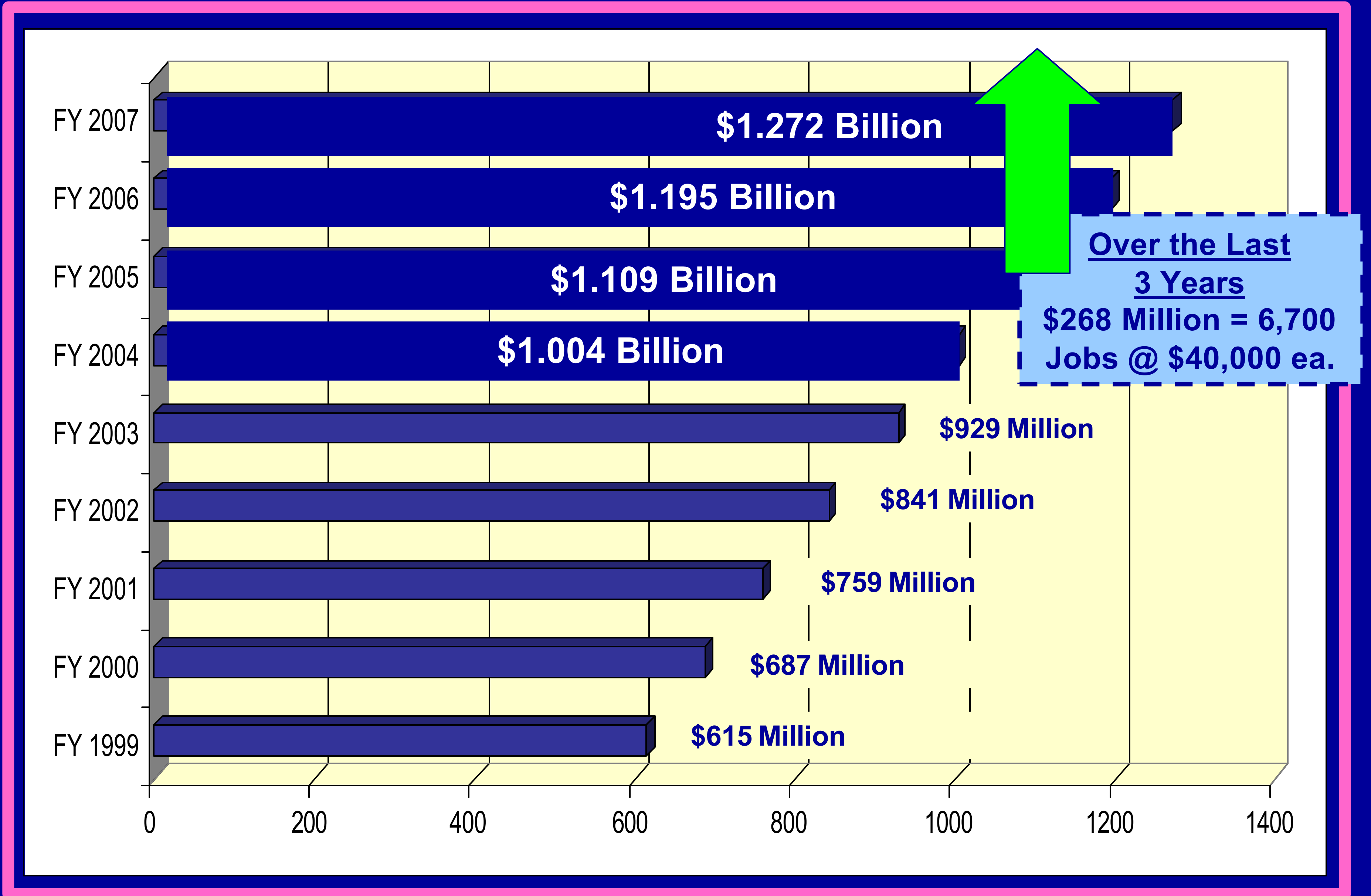
- Provides a benefit to attract and retain quality teachers.
- When teachers retire, this provides positions for new teachers and promotions for current teachers.
- When teachers retire, this reduces payroll costs as retiring teachers are replaced by new teachers.

For State & Local Economies

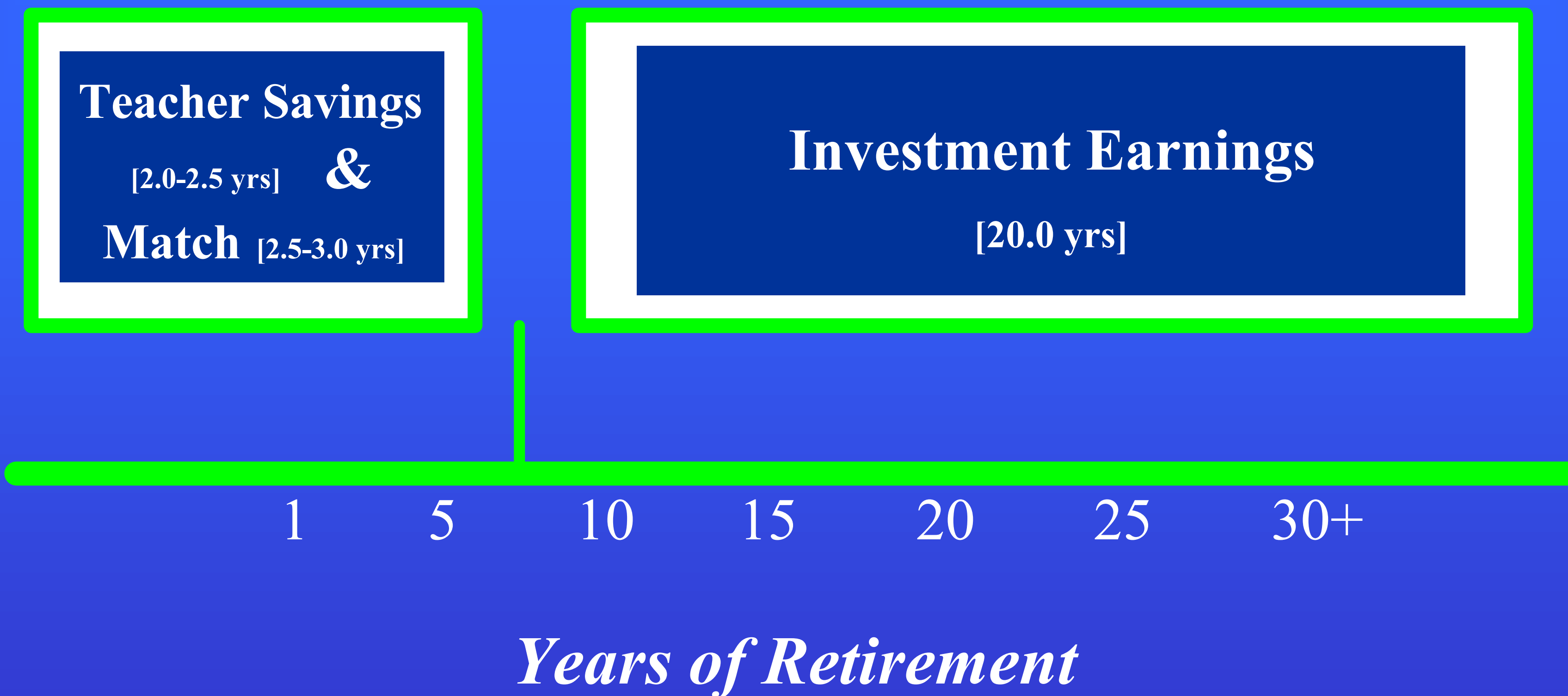
- **KTRS pays <u>monthly</u>:**
  - $91 million in retirement annuity benefits
  - $14 million in medical benefits
- 39,332 retirees, beneficiaries & survivors
- 93% of KTRS retirees live in Kentucky

Retired teachers have a significant economic impact in every county in Kentucky.

KTRS Distributes Hundreds of Millions of Dollars Annually



Teachers' Savings + Employer Match are Invested & Provide Benefits



Annualized Returns

Total Return on KTRS Investments thru Fiscal Year End 2007

Year	S&P 500 Index	KTRS Stocks	Lehman Gov./Credit High Quality Index	KTRS Bonds	KTRS Real Estate	KTRS Total Portfolio
1 Year Return	20.6%	20.6%	5.7%	6.3%	8.2%	15.3%
5 Year Return	10.7%	10.7%	4.4%	4.7%	9.6%	8.5%
10 Year Return	7.1%	7.8%	6.0%	6.2%	9.3%	7.1%
15 Year Return	11.2%	11.5%	6.3%	6.6%	9.3%	8.8%
20 Year Return	10.8%	11.2%	N/A	7.5%	9.0%	9.1%

House Bill 600

and

HB 600 Senate Committee Substitute

PROPOSED PLAN FOR KERS & CERS <u>**NONHAZARDOUS**</u> MEMBERS: EFFECTIVE 7/1/2008 FOR NEW HIRES

Retirement Provision	Current plan for New Hires	HB 600: As Passed by the House	HB 600: Senate Committee Substitute
Employee Contribution	5% to pension (refundable	5% to defined benefit pension (refundable w/int.) 1% to health (non-refundable) 6% total	4% to defined benefit pension (refundable w/int.) 1% to annuity savings account 1% to health (non-refundable) 6% total
Final Compensation	• Average of the highest 5 fiscal years, must contain 48 months. • Includes lump-sum compensatory payments at retirement	• Average of the highest 5 fiscal years, must contain 60 months. • lump-sum comp. payments at retirement not included	• Average of the 60 months of service prior to retirement. • lump-sum comp. payments at retirement not included
Benefit factor	• KERS: 1.97% • CERS: 2.00%	KERS & CERS Yrs. Service At Retirement: Benefit Factor 10 or less: 1.10% Greater than 10, but no more than 20: 1.30% Greater than 20, but no more than 26: 1.50% Greater than 26, but no more than 30: 1.75% Additional years above 30: 2.00% *As a member reaches the specific service level, the benefit factor increases for all service credit except the 2.00% multiplier only applies to service earned in excess of 30 years.*	KERS & CERS Yrs. Service At Retirement: Benefit Factor Up to 30 years: 1.14% Additional years above 30: 1.75% *The benefit factor remains constant for the service credit tier.*
Annuity Savings Account			• Employee contribution: 1% (as noted above) • Employer contribution: - 2% lump-sum payment of annual salary upon completion of 5 years of service credit (one time payment). - 2.00% monthly if the employee has greater than 5 but no more than 10 years service. - 2.25% monthly if the employee has greater than 10 but no more than 20 years service. - 2.50% monthly if the employee has greater than 20 years service. • Plan Management: The retirement systems will manage the accounts. For the first 5 years the funds will be managed in the same asset allocation as the retirement system investments. After that date, the employee can choose same asset allocation as the retirement systems or a different asset allocation *(more aggressive/more conservative).*

PROPOSED PLAN FOR KERS & CERS **NONHAZARDOUS** MEMBERS: EFFECTIVE 7/1/2008 FOR NEW HIRES

Retirement Provision	Current plan for New Hires	HB 600: As Passed by the House	HB 600: Senate Committee Substitute
When Can They Retire: Unreduced Benefit	• Any age/ w 27 years of service or • Age 65 w/4 years of service	• Rule of 85: Age + service must equal 85 years at retirement except that the employee must be at least 55 years of age to retire under this provision; or • Age 65 w/5 years of service	• Rule of 87: Age + service must equal 87 years at retirement except that the employee must be at least 57 years of age to retire under this provision; or • Age 65 w/5 years of service.
When Can They Retire: Reduced Benefit	• Any age w/25 years of service or • Age 55 w/5 years of service	• Age 55 w/10 years of service	• Age 62 w/10 years of service
Penalty on Reduced Benefit	Amount determined by actuary	Amount determined by actuary +1%	Amount determined by actuary
Medical Insurance	FOR NEW HIRES AFTER 07/03: • 10 years of earned service at retirement to be eligible for insurance benefits. • Benefit of $10 per month for each year of earned service without regard to a maximum dollar amount; adjusted by CPI annually.	**FOR NEW HIRES** AFTER 07/08: • Same except increase earned service requirement to be eligible for benefits to 15 years and adjust benefit annually by 1.5% instead of CPI-U.	FOR NEW HIRES AFTER 07/08: • Same as current plan except require the employee to be age 65 w/15 years of service or age 60 w/20 years of service and adjust by 1.5% instead of CPI-U. • If the employee retires with the level of service credit required but has not reached the age requirement, the employee will be able to purchase coverage through the systems at full cost until reaching the age requirement. • Reemployed retiree required to take coverage through employer.
Sick Leave at Retirement	• KERS: Unlimited amount used toward determining retirement benefits, does not count towards eligibility. • CERS: Optional for employer and employer chooses level.	• Limit to 12 months for purposes of determining monthly benefits.	• Same as House Plan but all costs paid by last participating employer.
Cost of living Adjustment	• Annual increase not to exceed 5% based on the percent change in CPI; may be suspended by Legislature.	• Annual increase of 1.5%; may be suspended by Legislature. • General Assembly may provide additional COLA in excess of 1.5% in the future.	• No automatic COLA. Allow employee to select an actuarially reduced benefit payment to receive a specified COLA upon retirement.
Distribution of funds before retirement	• Employee contribution plus interest at rate determined by the board.	• Employee contribution plus interest at rate of 2.5%	• Same as House plan for defined benefit component. • Annuity Savings Account: Employee vested for account balance and investment return when created.
Service purchases	• 100% of actuarial cost as determined by the board. • In most cases, does not count towards retirement eligibility.	• Ensure the actuarial cost includes COLA and earliest eligible retirement date. • Tightens provisions to ensure no service purchases count towards retirement eligibility.	• Same as House Plan.

PROPOSED PLAN FOR KERS & CERS ***KTRS MEMBERS*** MEMBERS: EFFECTIVE 7/1/2008 FOR NEW HIRES

Retirement Provision	Current plan for New Hires	HB 600: As Passed by the House	HB 600: Senate Committee Substitute
Employee Contribution	FOR TEACHERS: 9.105% to pension (refundable w/int.) 0.750% to health (non-refundable) 9.855% total FOR UNIVERSITY EMPLOYEES: 7.625% to pension (refundable w/int.) 0.750% to health (non-refundable) 8.375% total	FOR TEACHERS: 9.105% to pension (refundable w/int.) 1.750% to health (non-refundable) 10.855% total FOR UNIVERSITY EMPLOYEES: 7.625% to pension (refundable w/int.) 1.750% to health (non-refundable) 9.375% total	SAME AS HOUSE PLAN
Final Compensation	• Highest 5 years of earnings • Highest 3 years if employee has 27 years of service and is at least age 55. • Lump sum comp., vacation, and sick leave included.	• SAME AS BEFORE • lump-sum comp. and vacation not included. Limit payment for sick leave to 300 days of accumulated	
Benefit factor	FOR NEW TEACHERS AFTER 07/02: ? 2.0% if you have less than 10 years. ? 2.5% if you have more than 10 years. ? 3.0% for service in excess of 30 years. FOR UNIVERSITY EMPLOYEES • 2.0%	**FOR NEW TEACHERS** Yrs. Service At Retirement — Benefit Factor 10 or less — 1.70% Greater than 10, but no more than 20 — 2.00% Greater than 20, but no more than 26 — 2.30% Greater than 26, but no more than 30 — 2.50% Additional years above 30 — 3.00% **FOR NEW UNIVERSITY EMPLOYEES** Yrs. Service At Retirement — Benefit Factor 10 or less — 1.50% Greater than 10, but no more than 20 — 1.70% Greater than 20, but less than 27 — 1.85% 27 or more — 2.00% *As a member reaches the specific service level, the increases for all service credit except that the teachers only applies to service earned in excess of*	
When Can They Retire: Unreduced Benefit	• Age 60 w/5 years of service or • Any age/ *w* 27 years of service	• No change	
When Can They Retire: Reduced Benefit	• Age 55 w/5 years of service	• Age 55 w/10 years of service	

<table>
<tr><td>Penalty on Reduced Benefit</td><td colspan="2">• 5% for each year short of unreduced benefit.</td><td>• 6% for each year short of unreduced benefit.</td></tr>
<tr><td rowspan="10">Medical Insurance</td><td colspan="2">FOR NEW HIRES AFTER 07/02:</td><td rowspan="10">FOR NEW HIRES AFTER 07/08:
• Increase minimum service requirement to 15 years.</td></tr>
<tr><td>Years of Service</td><td>% of Premium Paid for Retiree</td></tr>
<tr><td>Less than 5:</td><td>0%</td></tr>
<tr><td>5/9/1999</td><td>10%</td></tr>
<tr><td>10/14/1999</td><td>25%</td></tr>
<tr><td>15-19.99</td><td>45%</td></tr>
<tr><td>20-24.99</td><td>65%</td></tr>
<tr><td>25-25.99</td><td>90%</td></tr>
<tr><td>26-26.99</td><td>95%</td></tr>
<tr><td>27 or more:</td><td>100%</td></tr>
<tr><td>Cost of living Adjustment</td><td colspan="2">• 1.5% COLA plus ad hoc amount provided by General Assembly</td><td>• No Changes</td></tr>
<tr><td>Distribution of funds before retirement</td><td colspan="2">• Employee contribution plus interest at 3% per annum.</td><td>• Employee contribution plus interest at rate of 2.5% per annum.</td></tr>
<tr><td>Service purchases</td><td colspan="2">• 100% of actuarial cost as determined by the board.
• Can count towards vesting for pension and health benefits.</td><td>• Remove purchase of "non-qualified service" except for up to 10 months in case retiring teacher with 26 years, 2 months of service but less than 27 years of service.</td></tr>
</table>

FOR EXISTING EMPLOYEES/RETIREES IN KERS CERS AND SPRS

Retirement Provision	HB 600: As Passed by the House	HB 600: Senate Committee Substitute
Cost of living Adjustment	• Beginning July 1, 2009, current and future KERS, CERS, and SPRS retirees will receive a set 1.5% cost of living adjustment. Provides that the General Assembly may provide an additional COLA if pre-funded by the General Assembly.	• *Retired prior to July 1, 2018:* Same as House plan except the COLA is tied to following plan funding requirements established by the Senate plan (see table on following page for funding requirements). • *Retired on or after July 1, 2018:* No automatic COLA. Allow employee to select an actuarially reduced benefit payment to receive a specified COLA upon retirement.
Reemployment After Retirement	• Under the provisions of the bill, retirees who return to work on or after July 1, 2008, will be required to observe a one month break in employment. Provided the break is observed, the employee can return to work, draw their pension, but will not contribute to the systems or earn a second pension. The employer will	• Same as House Plan but require 12 month break in employment.
Payment of Sick Leave for Current Employees	• KERS: Unlimited amount used toward determining retirement benefits. The first six months are paid by the trust, remaining months are paid by the last participating employer. • SPRS: Unlimited amount used toward determining retirement benefits. All months are paid by the trust.	• KERS & SPRS: All months paid by the last participating employer.
Partial Lump Sum Payment Option	• Removes partial lump sum option for employees retiring on or after July 1, 2008	• Same as House Plan
Determination of Service Purchase Costs	• Ensure the actuarial cost includes COLA and earliest eligible retirement date.	• Same as House Plan

PROPOSED CHANGES ON GOVERNANCE

Retirement Provision	HB 600: As Passed by the House	HB 600: Senate Committee Substitute
Investment/Funding Oversight	• Kentucky Public Pension Financing Advisory Commission: Establish a commission to examine pension fund investment experience, asset allocations, securities litigation programs, and investment benchmarks. This Commission will prepare recommendations for the 2010 General Assembly and future sessions of the General Assembly for a long-term funding strategy to ensure that the state phases into its full ARC by 2020.	• Establishes ARC funding schedule in bill. • Establishes a commission similar to the Concensus Forecasting Group that is comprised of seven individuals with pension and investment experience and credentials. The commission shall examine pension fund investment experience, asset allocations, securities litigation programs, and investment benchmarks, and shall make periodic reports to the General Assembly and the Governor.
Additional Legislative Oversight		The bill creates a subcommittee of the Legislative Research Commission, the Public Employee Benefits Oversight Committee, to review the plan's financial status on an annual basis, provide reports to the General Assembly, and to make recommendations regarding the plans. The Committee shall also be charged with reviewing the state
Retirement Systems Board of Trustees	Establish requirements for additional pension board trustee education and increase transparency regarding board meetings, investments, and board actions.	• Same as House plan
Inviolable Contract	No change	• Removes inviolable contract provisions for employees who begin participating on or after July 1, 2008.
Classified School Board Employees	Authorizes study to examine possibility of transferring school board employees in CERS to KTRS.	• Establishes separate pension plan for city/county government employees, titled the Local Government Employees Retirement System (LGERS) in new Chapter (78A). Classified school employees will retain membership in CERS. Direct the Kentucky Retirement Systems

FUNDING

CURRENT BUDGET AMOUNT IN GOVERNOR'S PROPOSED BUDGET/ HOUSE PLAN AMENDMENTS

- Executive Branch Budget (as proposed by Governor) proposes the following employer contribution rates over the biennium:

FY Ended	KERS Non-hazardous	KERS Hazardous	SPRS
2009	8.50%	24.25%	28.00%
2010	8.50%	24.25%	28.00%

- Sets CERS employer contribution rates at 2009-2010 recommended rates for both years of the biennium at 15.58% and 31.99% for non-hazardous and hazardous respectively.
- HB 600 (as passed by the House) and requires the Public Pension Financing Advisory Commission to establish a plan to fully pay ARC by 2020.

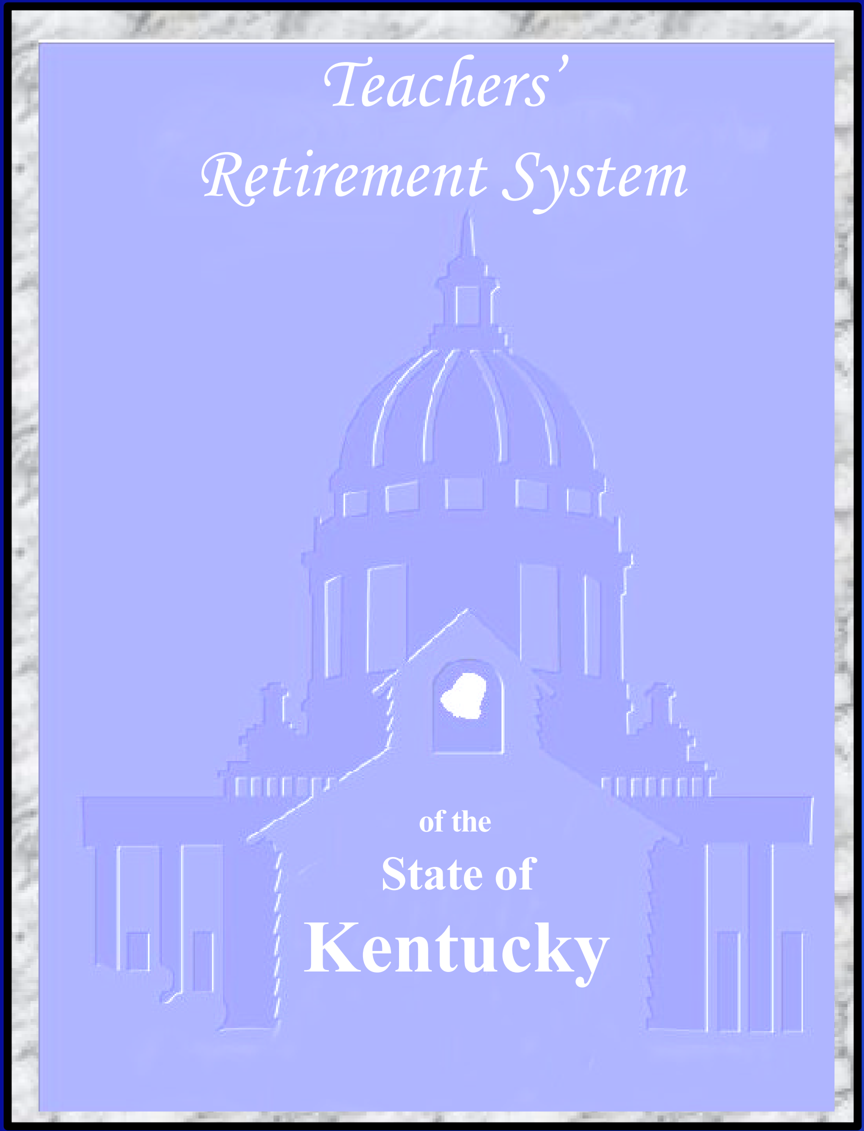
SENATE PROPOSED PLAN

- Senate plan calls for the following employer contribution rates for the upcoming biennium:

FY Ended	KERS Non-hazardous	KERS Hazardous	SPRS
2009	10.01%	24.35%	30.07%
2010	11.61%	24.69%	33.08%

- Sets CERS employer contribution rates at 2009-2010 recommended rates for both years of the biennium at 11.08% and 27.49% for non-hazardous and hazardous respectively.
- For fiscal years beyond 2010, establishes the following plan towards meeting the actuarial required contribution.

FY Ended	KERS Non-hazardous	KERS Hazardous	SPRS
2011	44%	76%	60%
2012	48%	79%	65%
2013	53%	83%	70%
2014	57%	86%	75%
2015	61%	89%	80%
2016	65%	92%	85%
2017	69%	95%	90%
2018	73%		95%
2019	77%		
2020	81%		
2021	85%		



Teachers' Retirement System
of the State of Kentucky

Our Members Come First!

Reach us at . . .

1.800.618.1687

502.848.8500

www.ktrs.ky.gov

Protecting & Preserving Teachers' Retirement Benefits